Financial Reconstruction (BIFR). A communication has been sent to the BIFR intimating the concessions/facilities for cleaning up of the balance sheets of IDPL that the Government intends to provide to facilitate its privatisation through the induction of strategic partners.

(c) and (d) A decision has also been taken to introduce VRS in IDPL after finalisation of the package thereof.

Clearance to KRIBHCO for Gorakhpur Project

2771. SHRI AMAR SINGH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) what are the specific reasons for not according final clearance to KRIBHCO for its Gorakhpur Project, for which in principle approval was accorded in October, 1997;

(b) whether it is a fact that KRIBHCO has surplus funds to the extent of Rs. 1600 crores which arc not being allowed to be invested in projects which has direct bearing on the production of fertilizer and if so. the reasons therefor; and

(c) by when, Gorakhpur Project would be finally cleared and start operations?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) and (c) The proposed Gorakhpur Fertilizer Project of Krishak Bharati Cooperative Ltd. (KRIBHCO), along with three other proposed urea projects in the Public/Cooperative sector was approved 'in principle' by the Government in April 1999, subject to investment appraisal of these projects by the Public Investment Board (PIB). Investment appraisal of these urea projects was undertaken by the PIB in July, 1999. In June 2000, a proposal for taking a final investment decision on these projects was considered and deferred by the Government. This proposal was formulated taking into account the observations of the PIB regarding the viability of the projects, desirability of encouraging use of liquefied natural gas as feedstock to reduce the incidence of subsidy and the need to

stagger implementation of the proposed projects due to limited demand supply gap forecasts. Subsequently, the Board of Directors of KRIBHCO has decided to defer the proposed Gorakhpur project, considering project viability and availability of LNG/NG.

(b) As on 4.12.2001, KRIBHCO had an invcstablc surplus of Rs. 1423 crore out of which Rs. 158 crore of subsidy on urea is to be refunded to the Government on account of revision in consumption norms. The proposed Oman India Fertilizer Project in joint venture with IFFCO and Oman Oil Company in Oman, which involve an investment of Rs. 328 crore by KRIBHCO, has already been approved by the Government. The Government has also recently delegated enhanced financial powers to the Board of Directors of KRIBHCO which would enable the society to take quicker investment decisions on proposals that arc within its delegated powers.

Recovery of excess subsidy from fertilizer manufacturers

2772. SHRI K.B. KRISHNA MURTHY: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the fertilizer Industry Coordination Committee (FICC) erroneously made excess reimbursements to fertilizer units under the Retention Price Subsidy Scheme during 1998-99;

(b) whether the FICC had independent means of verifying the bonafides of claims and to cross-check the cost data;

(c) whether it was observed by the Comptroller and Auditor General of India that all the manufacturers had inflated the production throughputs, which were more than the normative capacity fixed for them; and

(d) if so, whether the excess subsidy payments have since been recovered?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) to (dj Payment of subsidy to urea manufacturing units is determined unit-wise under the p ovisions of